



STEVE WESTLY

California State Controller

NOTICE TO HOLDER - DUE DILIGENCE REQUIREMENTS

Holders of property are required to notify owners that their property is in danger of being escheated to the State. This is called "due diligence." To meet the due diligence requirements of the law, the holder shall send by mail, to the address of record, a notice either: (1) not less than two years nor more than two and one-half years after the date of last activity or communication with the owner with respect to the account; or (2) Not less than six nor more than 12 months before the time the account becomes reportable to the Controller. Holders should refer to Code of Civil Procedure Sections 1513.5, 1516(d), and 1520(b) for the complete requirements for notifying owners of unclaimed property. The following summarizes the requirements:

The notice required by this section shall, in bold or in a font a minimum of two points larger than the rest of the notice,

1. Specify that since the date of last activity, or for the last two years, there has been no customer activity on the deposit, account, shares, or other interest.
2. Identify the deposit, account, shares, or other interest by number or identifier.
3. Indicate that the deposit, account, shares, or other interest is in danger of escheating to the state.
4. Specify that the California Unclaimed Property Law requires banks, banking organizations, and financial organizations to transfer funds of a deposit, account, shares, or other interest if it has been inactive for three years.
 - It shall also include a form, as prescribed by the Controller, by which the customer may declare an intention to maintain the deposit, account, shares, or other interest.
 - If that form is filled out, signed by the customer, and returned to the banking or financial organization, it shall satisfy the requirement.
 - The banking or financial organization may impose a service charge on the deposit, account, shares, or other interest for this notice in an amount not to exceed the administrative cost of mailing the notice and form and in no case to exceed two dollars (\$2).

Note:

Holders may impose a service charge for administrative costs of up to \$2 for mailing notices to owners as required by law for accounts over \$50. No service charge may be imposed for accounts under \$50.

Forms and Publications

All unclaimed property forms (www.sco.ca.gov/col/ucp/forms/index.shtml), reporting instructions, magnetic media specifications, diskette reporting program information (www.sco.ca.gov/col/ucp/holder/index.shtml), and the law and regulations (www.sco.ca.gov/col/ucp/lawregs/ucplaw/pdf) are available on the Internet; click on the links provided. Prior to preparing unclaimed property reports, each organization should review the law and the reporting instructions to ensure that all requirements are understood. Questions regarding the reporting process may be directed to Reporting Services at (916) 323-2845.